

Internal Revenue Service

Department of the Treasury

District
Director

P.O. Box 1650, GPO Brooklyn, N.Y. 11202

Date: DEC 14 1983

Person to Contact:

Contact Telephone Number:

Refer Reply to:

CERTIFIED MAIL

Gentlemen:

We have considered your application for tax exempt status under section 501(c)(3) of the Internal Revenue Code.

The evidence presented discloses that you were organized on [REDACTED] as an unincorporated association. The purposes of the organization are as follows:

"[REDACTED] is a non-profit, non-sectarian organization dedicated to the preservation and continuation of "Fifties Rock'N Roll" Music And Dancing, as it is believed that this genre is of a period unique to American Folk Tradition and should be preserved as part of our American Culture."

Membership is open to anyone with an interest in fifties rock'n roll music. All rights and privileges will be afforded to all members in good standing.

The organization's primary activity is to hold meeting/shows approximately eight times a year. At these meetings, taped music of the 1950's is played. Narratives on the history of the song and the artist are provided for those in attendance. The organization also has question and answer sessions pertaining to little known facts about the music. They also provide live [REDACTED] acapella music. Hot and cold buffet is also provided during the meeting. Funds are also raised by selling T-shirts with the organization's symbol on them, and tapes of the party meetings. All of the above is covered by a meeting/show fee. Members pay annual membership dues.

Section 501(c)(3) of the Code provides for the exemption from federal income tax of organizations organized and operated exclusively for charitable scientific or educational purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual, etc.

Section 1.501(c)(3)-1(a)(1) of the Income Tax Regulations states that in order to be exempt as an organization described in section 501(c)(3) of the Code, an organization must be both organized and operated exclusively for one or more of the purposes specified in such section. If the organization fails to meet either the organizational test or the operational test, it is not exempt.

Section 1.501(c)(3)-1(b)(1) of the regulations states that an organization will be regarded as organized exclusively for one or more exempt purposes only if its articles of organization limit the purposes of such organization to one or more exempt purposes and do not expressly empower the organization to engage in activities which are substantial in nature and are not in furtherance of one or more exempt purposes.

Section 1.501(c)(3)-1(c)(2) of the regulations states that an organization is not organized exclusively for one or more of the purposes mentioned in section 501(c)(3) of the Code unless it serves a public rather than a private interest.

Rev. Rul. 66-179, 1966-1 C.B. 139 states that an organization was incorporated by amateur gardeners to promote their common interest in gardening. The organization (1) holds flower shows and exhibits to display member's achievements in home gardening (2) schedules weekly meetings devoted primarily to informal social hours during which matters related to gardening are discussed and (3) issues a publication containing news about member's social activities and achievements in home gardening. Its funds are derived from membership dues, fees and assessments. No part of the net earnings of the organization inures to the benefit of any officer or member. This organization in carrying out its purposes in the manner described above is being operated exclusively for pleasure and recreation of its members. Accordingly, it did not qualify for exemption under section 501(c)(3) of the Code.

From the facts stated herein, your organization is being operated exclusively for the pleasure and recreation of its members and guests. As such you do not meet the organizational nor the operational tests.

Therefore you do not qualify for tax exempt status under section 501(c)(3) of the Code. Contributions to you are not deductible by donors. You are required to file Federal income tax returns on Form 1120 annually.

If you do not agree with this determination you may protest in accordance with the enclosed instructions within 30 days.

If we do not hear from you within that time this determination will be considered final and the appropriate State Officials will be notified in accordance with section 6104(c) of the Internal Revenue Code.

If you do not protest this proposed determination in a timely manner it will be considered by the Internal Revenue Service as a failure to exhaust available administrative remedies. Section 7428(b)(2) of the Internal Revenue Code provides in part that "A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Claims Court, or the district court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service."

Sincerely yours,

[REDACTED]

District Director

Enclosure: Publication 892